



**ReCoverCA Housing Programs
Homeowner Grant Application Certifications
("Grant Certifications")**

Account ID	
Homeowner Name	
Co-owner, if applicable	
Applicable Property Address (Home you are applying for)	
City, State and Zip	
County	

CAREFULLY READ YOUR GRANT APPLICATION CERTIFICATIONS:

This document describes the terms and conditions of any ReCoverCA Housing Programs grant, if awarded. This Application is not a guarantee of award. Your application is subject to review and approval pursuant to all program Policies and Procedures. All certifications herein are legally binding. It is your responsibility to comply with all the terms and conditions of your grant. Your signed Application and these Grant Certifications along with an Award Acknowledgment will be required prior to signing the Homeowner Construction Contract. Your signature on these Grant Certifications represents your agreement to comply with all terms and conditions of the ReCoverCA Housing Programs, as applicable.

False or Fraudulent Paperwork or Statements

Falsification of paperwork or any material falsehoods or omissions in the Application, including knowingly seeking duplicative benefits, is subject to state and federal criminal penalties. Warning: Any person who knowingly makes a false claim or statement to the United States Department of Housing and Urban Development ("HUD") may be subject to civil or criminal penalties under 18 U.S.C. 287, 1001 and 31 U.S.C. 3729.



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Title 18, Section 1001 of the United States Code states that a person shall be fined or imprisoned for up to five (5) years for knowingly and willfully making any materially false or fraudulent statement or representation to any U.S. Department or Agency.

→ I have read the above and understand that submitting false or fraudulent paperwork or statements may result in criminal penalties.

Homeowner Initials

Defined Terms

Applicable Property – The property owned by the Applicant during the Qualifying Disaster that assistance is being applied for, and that was used and will be used as the Applicant's Primary Residence.

Applicant – An owner-occupant(s) of an Applicable Property that has applied for housing assistance to the ReCoverCA Housing Programs.

Application – The information and all subsequent documentation submitted to the ReCoverCA Housing Programs through the online application portal or through direct communication with the program representatives and Housing Assistance Program Managers (HAPM) as defined below.

Award Acknowledgement – Acknowledgment of a Grant Award from the ReCoverCA Housing Programs that identifies and awards funds to a specific Applicant.

Change Order – An amendment to the Homeowner Construction Contract that changes the Contractor's scope of work, modifies the amount of time the Contractor must complete the work, or both. Changing Orders may or may not result in a change in contract price, depending on the scope of the Change Order.

Construction Manager (CM) – Refers to the Full-service Construction Management and Delivery Services firm procured by the ReCoverCA Housing Programs.

Contractor (General Contractor, GC) – Licensed construction firm or professional hired to complete the rehabilitation, construction, or some part of the construction, or mitigation of an Applicable Property. All Contractors participating in the ReCoverCA Housing Programs must be licensed and in good standing with the State Contractor's License Board.

Duplication of Benefits (DOB) - The Robert T. Stafford Disaster Assistance and Emergency Relief Act (Stafford Act) prohibits any person, business concern, or other entity from receiving financial assistance from CDBG Disaster Recovery funding with respect to any part of a loss resulting from a major disaster as to which he has already received financial assistance under any other Program or from insurance or any other source. A Duplication of Benefits occurs when an Applicant receives financial assistance from multiple sources and the total amount of the assistance exceeds the remaining eligible need for a specific recovery purpose.



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Escrow – Account where an Applicant's funds are deposited, held, and expended prior to Program funds for Applicants who have a homeowner responsibility to complete their rehabilitation or reconstruction project.

Grant Award (Grant) – Funding provided pursuant to the ReCoverCA Housing Programs expressly for the reconstruction or rehabilitation of an eligible Applicant's Applicable Property.

Grant Certifications – Terms and conditions required for an award of Community Development Block Grant Disaster Recovery (CDBG-DR) funds to an eligible ReCoverCA Housing Programs Applicant.

Homeowner – The person(s) listed in the table above, including Co-owners, who have an ownership interest in the Damaged Property. For this document, Homeowner refers to all parties with an ownership interest in the Damaged Property, regardless of whether they are on the Application or not.

Housing Assistance Program Manager (HAPM) – The Program Manager responsible for evaluating Applicant eligibility, tracking Duplication of Benefits, managing non-grant escrow funds, and supporting Applicants through the construction process. Also referenced as "case manager".

Homeowner Construction Contract – The contractual agreement between a Homeowner and the Construction Manager for the rehabilitation, reconstruction, or mitigation of the Applicable Property.

Primary Residence (Principal Residence) – A residential dwelling which is occupied as the occupant's domicile. A dwelling will qualify as a Primary Residence when:

1. The occupant will live in the dwelling for more than 50% of the time upon completion of the construction of unit; and
2. The occupant officially acknowledges the residential dwelling as his Primary Residence by voter registration, address on tax returns, homeowners' exemption, mailing address, proximity to occupant's work, schools, etc.
3. A household may only have one Primary Residence.

Proceeds – Funds provided to specifically assist in the reconstruction, restoration, rehabilitation, mitigation, or general recovery of the Applicable Property. These funds include monies received from insurance policies on the Applicable Property, funds provided through state and federal agencies including FEMA and the SBA, and other funds intended specifically for the recovery of the Applicable Property.

Program Policies and Procedures (Policies and Procedures) – Program administrative policy documents that detail the operational requirements for the Programs, and which are available on the Programs' website at <https://www.hcd.ca.gov/grants-andfunding/recoverca>, which may be amended from time to time and are incorporated herein by reference.



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Qualifying Disasters – Federally declared disasters as identified in the following federal register notices:

[DR-4558 August 22, 2020](#)

[DR-4569 October 16, 2020](#)

[DR-4610 August 24, 2021](#)

Scope of Work (SOW) – A documented line-item by line-item estimate of the work required to rehabilitate or reconstruct the Applicable Property, as identified during an onsite visit to the Applicable Property, that quantifies the materials and labor necessary to complete the work. The SOW is prepared by the Construction Manager (CM).

Terms and Conditions

Homeowner hereby makes the following continuing representations, warranties, agreements, and promises to the California Department of Housing and Community Development ("HCD"), which is materially relying on the same in issuing the Award (as defined below)

- 1. Capacity:** I certify that I am at least 18 years of age, and of sound mind (including an undersigned Representative, if any), having full power, authority, and legal right to provide these grant certifications and to take all actions necessary to comply with the CDBG-DR funded ReCoverCA Housing Programs requirements.
- 2. Binding Agreement:** These Grant Certifications are binding on the Applicant to the extent the Applicant receives and accepts a Grant Award under the Program.
- 3. Funding Source(s):** Funding for this work on Applicable Property is provided pursuant to the HUD-funded CDBG-DR grant. I acknowledge that I am not required to pay a fee or provide any type of payment to any Contractors or other third parties to participate in the Program, except for any Escrow payments that the HCD may require as outlined below.
- 4. Policies and Procedures:** I agree to adhere to the Program's Policies and Procedures which are available on the Program's website at <https://www.hcd.ca.gov/grants-and-funding/recoverca>, which may be amended from time to time and are incorporated herein by reference.
- 5. Qualifying Disasters:** As an Applicant of the ReCoverCA Housing Programs, I certify my property was damaged by a Qualifying Disaster during the period of one of the following federally declared disaster declarations: DR-4558 (August 22, 2020) or DR-4569 (October 16, 2020) or DR-4610 (August 24, 2021). Applicable Properties of the Mitigation Retrofits Program did not have to be damaged by a Qualifying Disaster.



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6. **Geographic Location:** I certify that my property is in a Program-eligible County affected by the Qualifying Disaster as defined by the applicable Program policies and procedures.
7. **Ownership:** I certify that I owned the Applicable Property at the time of the Qualifying Disaster.
8. **Occupancy:** I certify that I occupied the Applicable Property as my Primary Residence at the time of the Qualifying Disaster.
9. **Income:** I certify that I have provided complete, accurate, and current information regarding household income to demonstrate eligibility to receive Program funds.
10. **Property Taxes:** I certify that all property taxes, assessments, and liens on the Applicable Property are paid current as of the date hereof and agree that the same shall remain paid current for the duration of the rehabilitation or reconstruction.
11. **Property Title:** I certify that the Applicable Property is not subject to any notices of default, liens, mechanics' liens, judgments, condemnation or partition actions, or any seizure actions related to defaults in the payment of taxes, mortgages, or title defects.
12. **Access to Property and Homeowner Agreement to Cooperate:** I certify that I/we, as the Homeowner(s), will:
 - a. Grant full access to the Applicable Property to any authorized representative or designee of the ReCoverCA Housing Programs to make inspections and to complete the rehabilitation or reconstruction.
 - b. Cooperate with all such parties and their designees, and not to interfere with work on or inspections of the property.
 - c. Cooperate with CM to ensure that all utilities, including water, sewer, and electrical service, are available and supplied to the Applicable Property for the duration of the rehabilitation or reconstruction.
 - d. Execute and deliver to the Program upon demand such Right of Entry Agreement(s) which the Program deems necessary to carry out the rehabilitation or reconstruction work and any matters related thereto.
 - e. Review and approve all contractual components in a timely manner, including but not limited to home design, finishes, inspection reports, pay requests, and other requests from the CM, HAPM, and program representatives. I recognize that failure to meet review and approval timelines may stall my project and may be cause for administrative withdraw from the Program or termination of the grant award.



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→ I have read the above and understand my obligations regarding this grant award.

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13. Grant Award: I certify that I understand and agree to the following:

- a. **Award Amount:** Upon approval, ReCoverCA Housing Program may offer a Grant Amount (the "Grant Award" or "Award") for rehabilitation, reconstruction, mitigation, or replacement of the Applicable Property, pursuant to the applicable Program's Policies and Procedures.

14. Award Amount Changes: Award amounts may be modified by HCD in its discretion from time to time based on third-party information received and verified, Homeowner information reported and verified, and/or approved Change Orders. All changes must be approved in writing by HCD in its sole discretion.

15. Duplication of Benefits ("DOB"): I certify, represent, and warrant that I have reported all assistance amounts received in my/our ReCoverCA Housing Program Application, and have updated my HAPM with any additional assistance amounts received since the Application, and will inform HCD within 5 calendar days of any subsequent Proceeds I/we receive which are intended for the recovery of the Applicable Property. Such assistance amounts may constitute a Duplication of Benefits (DOB) and I/we agree to promptly pay such amounts to the Program if they are deemed duplicative of Program funds already disbursed.

- a. **Agreement relating to funds received under the Program:** As the Homeowner, I hereby presently and irrevocably agree to place into an Escrow account all proceeds from my Homeowner's insurance policy(ies), intended to cover the same loss that is being covered by the ReCoverCA Housing Program, as applicable **and/or** under any reimbursement or relief program related to or administered by FEMA, SBA, and/or funds provided under any other reimbursement or relief program administered by any other public or private organization dedicated to the rehabilitation, reconstruction or mitigation of the Applicable Property as a result of a Qualifying Disaster.
- b. **Benefits received after the construction is completed:** Funds received from property insurance, FEMA, SBA, or other funding sources dedicated to the rehabilitation, reconstruction, or mitigation of the Applicable Property because of a Qualifying Disaster and identified as a potential Duplication of Benefit must be submitted to the Program upon determination that the funds do constitute a Duplication of Benefit. Failure to remit funds identified as a



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Duplication of Benefit may result in a determination of fraud and may incur criminal penalties.

16. Escrow Account and Escrow Funds: I understand and agree to the following:

- a. **Escrow Account Agreement:** Prior to disbursing Grant Award funds and initiating the work, Homeowner and the HAPM must execute an Escrow Agreement which will be provided by the HAPM. I acknowledge and agree that HCD will not be a party to such Escrow or have any obligations or liabilities with respect thereto.
- b. I am solely responsible for depositing into an Escrow account all needed funding to cover funding gaps between the Award amount and the total construction cost of the full Scope of Work, if any.
- c. The Grant Award will be disbursed only after all funds deposited in the HAPM-administered Escrow have been fully disbursed. Failure to timely deposit required funds into the Escrow account, as defined in the Escrow Agreement may result in the termination of the Grant Award, at HCD's discretion.

→ I have read the above and understand that I will be required to deposit into Escrow any applicable funds to be committed to the construction of my home in accordance with an Escrow Agreement to be established between me and my HAPM.
Homeowner Initials

17. Contractor and Homeowner Agreement: I understand and agree to the following:

- a. The ReCoverCA Housing Programs will select a qualified and authorized Contractor to complete the work on the Applicable Property.
- b. Prior to disbursing Grant funds and initiating the work, Homeowner and the Contractor must execute the Homeowner Construction Contract, which will be provided by the CM. Homeowner acknowledges and agrees that HCD will not be a party to such contract and shall have no obligations or liabilities whatsoever with respect thereto. The homeowner understands and acknowledges that the CM is an independent contractor and that HCD is not responsible, legally, or financially, for any work performed or actions taken by the CM, whether pursuant to the Applicable Property Contract or otherwise.
- c. The Program requires, among other things, that:
 1. Homeowner enters a contract (*i.e.*, Homeowner Construction Contract) with the CM for the rehabilitation or reconstruction based on the Scope of Work and any subsequent, approved Change Order(s);



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2. The CM oversees the construction process and inspection(s); and,
3. Once the final inspection is approved by the Program, the Program will authorize disbursement of final payment to the Contractor.

→ I have read the above and understand that failure to meet Program requirements regarding the Homeowner Construction Contract may result in the termination of the Grant Award. Homeowner Initials

18. Environmental Conditions: I understand and agree to the following:

- a. All recipients and potential recipients, including the Homeowner, of CDBG-DR funds, are required by federal law to comply with the requirements of the National Environmental Policy Act of 1969 (NEPA) found at 24 C.F.R., Part 58.
- b. Program funds are covered by California Environmental Quality Act (CEQA) exemptions as documented on file with HCD.
- c. Upon submitting an application, all work currently being performed on the Applicable Property, if any, must stop, and no new work can commence until the environmental clearance is completed and approved by the Program. Applicants that do not stop work upon submitting their Application will be deemed ineligible for funding. Applications that cannot meet environmental clearance requirements will be deemed ineligible for funding.
- d. To be compliant with 24 C.F.R. part 58, activities that have physical impacts or which limit the choice of project alternatives cannot be undertaken, even with a Homeowner's own funds, prior to obtaining environmental clearance from the Program once CDBG-DR funds have been identified as a potential funding source for construction. Submittal of a complete Application constitutes identifying CDBG-DR funds as a potential funding source.
- e. The Program will conduct the Tier II environmental review on the Applicable Property.
- f. No funds may be obligated or expended by the Program, and no additional funds may be obligated or expended by the Homeowner until the environmental review procedures outlined in Part 58 have been fully and satisfactorily addressed.
- g. A violation of this requirement will result in a prohibition on the use of CDBG-DR funds for the activity and Homeowner.

19. Requirements after Closeout: 24-month Monitoring

- a. **Owner Occupancy Requirement (Owner-Occupied Rehabilitation/Reconstruction Program only):** I understand and



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agree that I will live in my Program home built on the Applicable Property for a minimum of two years as my Primary Residence. I understand and agree that if I sell, rent, exchange, or transfer the Applicable Property during the two-year period following completion of the work identified in the Scope of Work (the “Monitoring Period”), I/we will be required to repay all or a portion of the Grant Award to HCD as described below in Section 19.e.

- b. **Flood Insurance:** I certify that if my property is located in FEMA's Special Flood Hazard Area, I/we will obtain the required flood insurance with building coverage amounts equal to or greater than the Award amount as required by the Flood Disaster Protection Act of 1973, 42 U.S.C. 4001 (the “Flood Disaster Act”) and all other applicable State and Federal regulations once the rehabilitation, reconstruction, or replacement of the Applicable Property is complete. I/we understand that I/we have a continuing obligation to notify the Program of any changes to my/our flood insurance policy, and that proof of flood insurance will be required at closeout as applicable. Relevant changes include, but are not limited to, changes in insurance carrier, changes in coverage limits and maximums, claims made to the insurance policy, and policy renewal, modification, and cancellation notices. I also affirm my understanding that failure to maintain appropriate flood insurance may result in any Applicant(s) who reside at this property being ineligible for future disaster relief. Upon the sale or transfer of the property, Applicant(s) will, on or before the date of such transfer, and as part of the documents evidencing such transfer, notify all transferees in writing of the continuing obligation to maintain flood insurance on the property. In the event the applicant(s) fail to provide such notice, Applicant(s) may be liable to the United States for future disaster assistance related to the property. (42U.S.C.§5154a)
- c. **Property Taxes:** I certify and covenant that I will ensure that all property taxes, assessments, loans, liens, and encumbrances against the Applicable Property will be always paid current.
- d. **Title Covenant (Owner-Occupied Rehabilitation/Reconstruction Program only):** I understand and agree that prior to receipt of federal Grant funds, I must sign a 24-month covenant (or allow a condition code for mobilehome or manufactured home units (MHUs)) as a requirement of participation in the Program. This covenant, which will be in form and content acceptable to HCD, is to safeguard the CDBG-DR investment in the property and will be recorded against the Homeowner’s property in the applicable County Recorder’s Office to satisfy the Program compliance requirements. (For



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mobilehomes/MHUs, the condition code will be filed with the Codes & Standards division of HCD.)

- e. **Failure to Comply with Covenant (Owner-Occupied Rehabilitation/Reconstruction Program only):** If, within the first 12-months of the Monitoring Period, Applicants fail to comply with the compliance requirements of this section, the Homeowner is responsible for repaying the total Grant Award back to HCD. If within months 13-24 of the Monitoring Period Applicants fail to comply with the compliance requirements, the Applicant is responsible for repaying fifty percent (50%) of the total Grant Award to HCD.

→ I have read the above and understand that failure to meet Program requirements regarding occupancy, insurance, and taxes may result in the termination of the Grant Award. Homeowner Initials

20. Relocation and Real Property Acquisition Act: I certify that I have disclosed the presence of all tenants, if applicable, residing at the Applicable Property at the time of Application submission, pursuant to the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970, as amended (URA) (42 U.S.C. §§ 4601 – 4655, 49 C.F.R., part 24, 24 C.F.R., part 42, and 24 C.F.R. § 570.606.

21. Grant Proceeds Contingent: I understand that the Program's Grant Award is contingent upon appropriation, budgeting, and availability of specific funds to discharge those proceeds. Nothing in this Application constitutes a debt, direct or indirect multiple fiscal year financial obligation, a pledge of the Program's credit, or a payment guarantee by the Program to the Homeowner or any Contractor or other third party.

22. Lead-Based Paint Prohibitions: I understand that any reconstruction, rehabilitation, mitigation or replacement of residential housing with assistance provided under this Application shall be subject to HUD's Lead-Based Paint Regulations at 24 C.F.R. § 570.608 and 24 C.F.R. Part 35, Subpart B. Failure to complete lead hazard reduction or abatement activities in accordance with [HUD's Lead Safe Housing Rule \(LSHR\)](#) will result in repayment of all Program funding, to include any previous work completed on the Applicable Property, to the Program.

23. Appeals and Complaint Procedure: I understand that if I have a grievance or desire to appeal a decision rendered by HCD regarding any provision of the Grant Award, I can file an appeal with the Program in the manner outlined in the applicable Program Policies and Procedures as found on the HCD website. If the Program denies the appeal, I understand that I may appeal the denial to HUD.



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24. Notification of Changes: I understand and certify that I will abide by my continuing obligation to notify the Program if any of the information contained in my Application becomes incomplete, inaccurate, misleading, or incorrect at any time prior to the commencement construction, or at any time thereafter through the completion of the two-year Monitoring Period. This continuing obligation extends to, among other things, any voluntary or involuntary changes in ownership or occupancy of the Applicable Property during the term hereof. To update any information, I will contact my HAPM in writing.

25. Consent to Electronic Transaction and E-Signatures:

- a. I acknowledge that electronic records are being collected, maintained, stored, and utilized for the Program and that automated agents have been used to determine identification and eligibility for the Program.
- b. I consent to the collection, use, and storage of electronic records in accordance with HCD's security policy and procedure for such records.
- c. I understand that to verify the Homeowner(s)' identity and eligibility for the Program, the Program requires that certain personal information be provided pursuant to the terms of Personal Information Release Authorization form being signed by Homeowner(s) in connection herewith.
- d. I understand that by completing and submitting this document and the Application, I am authorizing the Program to collect, store and use the information provided on this Application for such purposes, including authorizing the Program to request information from third-party entities and reports as needed to process the Application and Grant Amount.

26. Breach:

- a. Homeowner will be in breach of their obligations and responsibilities under its Application and this Certification if the Homeowner makes a false, misleading, incomplete, or inaccurate certification herein, or fails to comply with any of the obligations set forth in this document, any ancillary documents being signed by Homeowner in connection with this Grant, and/or the applicable Program Policies and Procedures.
- b. No waiver of any breach or default shall constitute or be construed as a waiver by the Program of any subsequent breach or default or of any breach or default of any other provision.
- c. Upon declaring a breach, at its discretion, the Program may take any or all the following actions, in addition to any other rights or remedies, at law or in equity, which HCD may have:
 1. Prohibit Homeowner's continued participation in the Program.
 2. Direct CM to stop work on the Applicable Property, either temporarily or permanently, or issue a Change Order to the construction and/or abatement contract.



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3. Demand reimbursement from Homeowner for all or a portion of the Grant Award that was paid and/or is due to a third party under the Award Acknowledgement.
4. Require reimbursement for HCD's reasonable attorney's fees and/or collection costs incurred for any enforcement actions taken, whether judicial, non-judicial, or other dispute resolution actions, including but not limited to any fees or costs paid by HCD to the California Attorney General's Office in connection thereto.
5. Waive the default(s), and/or provide Homeowner(s) an opportunity to cure the default on terms set by HCD in its sole and absolute discretion.

27. Enforcement: The Homeowner(s) acknowledge that the Program has the right and responsibility to enforce the Award Acknowledgement and the terms and conditions of the Program.

28. Choice of Law and Venue: The Award Acknowledgement and this Grant Certification shall be governed by and construed in accordance with the laws of the State of California. Venue for any action or proceeding arising under the Award Acknowledgement shall be in the Superior Court of the County of Sacramento, California.

29. No Assignment. Homeowner may not directly or indirectly, by operation of law or otherwise, assign, transfer, pledge, or otherwise alienate or encumber any of its rights, interests, or benefits under any Grant Award issued by HCD to Homeowner(s), as a Grant Award is personal to the Homeowner(s) for the exclusive benefit of the Applicable Property. The Grant Award is personal to Homeowner(s) and is solely to be used for the express purposes of repairing or replacing the Applicable Property as stated herein. Any attempted assignment, transfer, pledge, alienation, or encumbrance by Homeowner shall constitute a material breach of this Grant Certification and the terms of any Grant Award.

30. Severability/Construction:

- a. Any provision of the Award Acknowledgement found to be prohibited by law or unenforceable will be ineffective only to the extent of such prohibition or unenforceability without invalidating any other part hereof, or any of the other documents referenced herein.
- b. The Award Acknowledgement, to the extent possible, will be construed or reformed to give validity to its remaining provisions.

The Award Acknowledgement is not intended to create, nor shall it be in any way interpreted or construed to create any third-party beneficiary rights in any person not a party hereto except for the United States of America as set forth herein.



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31. Indemnification Agreement:

- a. Homeowner agrees to indemnify, defend, and hold harmless the State, HCD, the Program, and/or Contractors, and each of their respective officers, directors, agents, designated representatives, employees and affiliates ("Indemnified Parties") from any all claims, losses, damages or liability (including attorney's fees and expenses) arising out of, or in any way related to, the Grant Award, or any other act or failure to act under the Award Acknowledgement, any receipt of or eligibility for any DOB, and/or all other documents executed in furtherance of the CDBG-DR Award and/or this Grant Certification.
- b. The obligations under this provision are independent of all other rights or obligations set forth herein.
- c. This indemnification provision shall survive the disbursement of the Award funds, as well as the expiration or any earlier termination of this Grant Certification.

→ I have read and understood the Terms and Conditions of my participation in the ReCoverCA Housing Programs. Homeowner Initials

Subrogation and Assignment

1. Assignment relating to funds received under the Program.

- a. In consideration of Applicant's receipt of CDBG-DR Program benefits and/or the commitment by the Program to provide Grant funds for the benefit of Applicant under the Programs, Applicant hereby agrees to deposit into an Escrow account all Proceeds from Applicant's insurance policies for the same property loss that was provided for through the Program and/or under any reimbursement or relief program related to or administered by FEMA, SBA, and/or under any reimbursement or relief program administered by any other public or private organization (collectively, a "Disaster Program"). Such Proceeds are part of the calculation of Applicant's award under the Program and will be reviewed to determine whether they are a Duplication of Benefits ("DOB") in accordance with the Stafford Act as described in this Grant Certification and in the applicable Program Policies and Procedures.
- b. These Subrogation and Assignment provisions apply only to payments the Applicant may receive for the Applicable Property identified in the Application for damages incurred during the Qualifying Disaster. In other words, these provisions do not apply to payments received for damages from other unrelated disasters or other unrelated insurable events.
- c. The proceeds or payments referred to in the preceding subparagraphs whether they are from insurance, FEMA SBA, or any other source, shall be referred to herein as "Proceeds", and any Proceeds that are a DOB



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shall be referred to herein as DOB. Upon receiving any Proceeds not previously disclosed to the Program the Applicant agrees to notify the Program within 5 days of such additional amounts.

- d. If some or all the Proceeds are determined to be a DOB, the portion that is a DOB shall be retained by the HAPM and deposited into an Escrow account as described herein and in the Escrow Agreement.

2. Subrogation, Cooperation, and Further Documentation.

- a. Applicant agrees that HCD may enforce Applicant's rights, and the rights of any persons entitled to the benefits of Applicant's insurance, to recover any unpaid DOB to which Applicant has a legal right under such insurance policies. In addition, Applicant agrees to take all necessary steps to protect such rights for HCD. Applicant further agrees to assist and cooperate with the Program should the State elect to pursue, or participate in the Applicant's pursuit of, any of the claims Applicant has against the insurers for reimbursement of DOB under any such policies.
- b. Applicant's assistance and cooperation shall include but shall not be limited to consenting to have suit brought in Applicant's name(s) and providing any additional documentation with respect to such consent, giving depositions, providing documents, producing records and other evidence, testifying at trial and any other form of assistance and cooperation reasonably requested by the Program. HCD or the State may require a formal written assignment of Applicant's rights to the extent of the unpaid DOB to which Applicant has a legal right and which would have been applied to reduce the amount of Applicant's Grant Award.
- c. Applicant further agrees to assist and cooperate in the attainment and collection of any DOB that the Applicant would be entitled to under any applicable Disaster Program.
- d. If requested by the Program, Applicant agrees to execute such further and additional documents and instruments as may be requested to further and better assign to the Program, to the extent required by the Grant Award and the Policies and Procedures, any amounts received for disaster recovery assistance that are DOB and/or any rights thereunder. The Applicant agrees to take, or cause to be taken, all actions and to do, or cause to be done, all things requested by the Program to comply with the Grant Certifications and to consummate and make effective the purposes of the Award Acknowledgement.

3. Agreement to Turn over Proceeds, Future Reassignment

- a. If Applicant (or any lender to which DOB Proceeds are payable, to the extent permitted by superior loan documents) has received or hereafter receives any DOB, Applicant agrees to promptly pay such amounts to the Program provided the Applicant received an award under the



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Program in an amount greater than the amount Applicant would have received if such DOB had been considered in the calculation of Applicant's award.

- b. If the Applicant received, receives, or is scheduled to receive any Proceeds not previously disclosed to the Program ("Subsequent Proceeds"), Applicant shall notify the Program of such Subsequent Proceeds, and the Program will determine the amount, if any, of such Subsequent Proceeds that are DOB ("Subsequent DOB") in accordance with the Stafford Act. Subsequent DOB Proceeds shall be disbursed as follows:
1. If the Award has been fully extended by the Program, any Subsequent DOB shall be paid by Applicant to HCD up to the amount of the Award.
 2. If no portion of the Award has been expended by the Program, any Subsequent DOB shall be paid by Applicant to the HAPM administered Escrow account and used to reduce the Award. If the application of the Subsequent DOB would reduce the Award to zero, any remaining Subsequent DOB after reducing the Award to zero, and any funds previously paid by the Applicant to the Program shall be returned to the Applicant, and the Homeowner Construction Contract shall terminate.
 3. If some portion of the Award has been expended by the Program, any Subsequent DOB shall be used, retained and/or disbursed in the following order: (1) Subsequent DOB shall first be paid by Applicant to the HAPM administered Escrow account to reduce the unexpended portion of the Award; (2) if the application of the Subsequent DOB would reduce the unexpended Award to zero, any remaining Subsequent DOB shall be applied to the expended portion of the Award up to the amount of the Award; (3) if the application of the Subsequent DOB reduces both the unexpended and the expended portions of the Award to zero, any remaining Subsequent DOB shall be returned to the Applicant, and this Homeowner Construction Contract shall terminate.
 4. If the Program makes the determination that the Applicant(s) does not qualify to participate in the Program or the Applicant decides not to participate in the Program, the Subsequent DOB and any funds previously paid by the Applicant to the HAPM administered Escrow account that have not been used or obligated by the Program shall be returned to the Applicant and this Homeowner Construction Contract shall terminate.



**ReCoverCA Housing Programs
Homeowner Grant Application Certifications
("Grant Certifications")**

Once the Program has recovered an amount equal to the Award, the Program will reassign back to Applicant, without representation or warranty, any rights assigned to the Program pursuant to the Award Acknowledgement.

Signature Page

I hereby acknowledge and agree to the Terms and Conditions and the Subrogation and Assignment requirements of the ReCoverCA Housing Programs.

HOMEOWNER:

Signature

Name

Printed

Date

CO-OWNER:

Signature

Name

Printed

Date